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FROM THE U.S. MISSION TO THE UN AGENCIES IN ROME

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SUBJECT: 127TH FAO COUNCIL, 22-27 NOVEMBER 2004: LOOKING AHEAD

REF: (A) ROME 2436; (B) ROME 3841; (C) ROME 4106

[11.](#) (U) Summary: The upcoming FAO Council will provide an opportunity principally for members to review the world's food and agricultural situation, to track progress in the activities of FAO and the World Food Program (WFP), and to discuss FAO program, budget and administrative issues. The weak financial health of the organization is likely to be emphasized. A key USG objective for the upcoming FAO Council will be to obtain members' endorsement in principle -- and establishment in practice -- of a mechanism to conduct an external evaluation of the organization. The election for FAO Director General in November 2005 will be much on delegates' minds, although it features on the agenda only as a narrow item regarding the April 2005 nomination deadline. The U.S. Mission intends to organize a side event highlighting science and technology to promote more efficient use of water resources. End summary.

OVERVIEW

[12.](#) The 127th meeting of the FAO Council -- the organization's 49-member executive body -- will be held in Rome on 22-27 November. USDA Deputy Under Secretary James Butler will head the US delegation. Below we highlight items that will be of particular importance to the USG.

EXTERNAL EVALUATION OF FAO

[13.](#) On 21 October, the US and Canada submitted to the Secretariat a request that an item entitled

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"Comprehensive External Evaluation" be added to the agenda for the Council. We have been working with other permanent representatives in Rome on a draft concept paper and draft Council resolution that were submitted to the Secretariat shortly for translation and circulation on 28 October. Details are forthcoming in septel.

WORLD FOOD AND AGRICULTURE SITUATION (AGENDA ITEMS 3, 4, 5)

[14.](#) Delegations will have the opportunity to comment the Secretariat's report on the State of Food and Agriculture

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(SOFA) 2004. The document for the Council covers trends in food security (undernourishment, food emergencies, food aid), the current agricultural situation (production, cereal supply, price trends, trade, fisheries, forestry), and resources to agriculture (external assistance, capital stock). In addition, there is an opportunity for delegates to comment on FAO's 2003-4 SOFA report, published in mid 2004, and which this year focused on agricultural biotechnology (ref A). The 2003-04 SOFA report marks a departure from previous reports by focusing on a single theme. The next two reports will focus on international trade and food aid, respectively. In our view, the new report format and the willingness to tackle timely and potentially controversial issues are welcome developments. We should speak favorably about both the substance of the 2003-04 report and the new direction for SOFA. The basis for substantive comments on the report should be the review already conducted by Washington agencies.

[15.](#) Committee on World Food Security (CFS): The Report of the September 2004 CFS meeting will be considered. The CFS reached consensus on the key issues (ref B), and although these are not likely to be re-opened in Council, they are worth highlighting here: (1) the creation of a working group of experts to discuss options for improving the World Food Summit (WFS) follow-up reporting format, (2) the decision to hold a stakeholder dialogue at the next CFS meeting (in May 2005) to prepare for a 2006

Special Forum to review WFS progress, and (3) progress in the development of the International Alliance Against Hunger. The CFS also will transmit to the Council the finalized "Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security." The U.S. joined consensus on the Guidelines document, which we believe constitutes a useful toolkit of policy measures and other steps countries may consider as part of their efforts to address national food insecurity, but we explained that acceptance of the guidelines does not change the

longstanding USG position on the right of access to food.

16. The CFS is the only one of the large governing committees of FAO -- i.e., those open to all interested members -- that meets twice per biennium. Holding annual meetings is costly and allows only limited time for intersessional work. The US delegation will want to explore with other delegates the idea of moving to biennial CFS meetings. This could also be discussed as an efficiency measure aimed at streamlining the cost effectiveness of the organization and making more funding available for work in the field. (Note: interpretation costs, alone, for such meetings run somewhere in the neighborhood of \$10,000 a day.)

17. Committee on Agriculture (COAG): The Council will consider the Report of the February 2004 COAG session, concerning FAO's proposed follow-up to the work of the Joint WHO/FAO Expert Consultation on Diet, Nutrition and Chronic Diseases. At the February session, the US delegation expressed support for a global effort to fight non-communicable diseases attributable to poor diet and lack of exercise. We welcomed FAO's follow up statement, and suggested that its proposals be fine-tuned and examined with an eye to efficacy in disease reduction, cost-effectiveness, avoiding unintended side effects, and fostering strong world food markets and economic development. In its statements and in its role as chair of the drafting committee, the USG served as a bridge between some developed countries favoring a more activist FAO approach to diet and health issues, and many developing countries that were concerned about potential economic and societal impacts, particularly for sugar producers. The resulting COAG recommendations called for continued FAO work with WHO on this area, but also stressed that this work should not divert resources from FAO's core mandate with regard to malnutrition. This recommendation seems to have struck a balance among member states, and we see no need to reopen the debate in the Council.

ACTIVITIES OF FAO AND WFP (AGENDA ITEMS 6, 7, 8)

18. WFP: The Council will elect six members to the WFP Executive Board to fill seats to be vacated by Canada, China, Germany, Eritrea, Haiti and Mauritania. As previously agreed among "List D" countries, Canada and Germany will be renominated by their group. Other groups will nominate successors to their members whose terms are expiring. Delegations also will have the opportunity to discuss the Annual Report of the WFP Executive Board on its Activities in 2003. The USG has strongly supported closer coordination among the UN agencies in Rome, but we do not believe the FAO Council is the appropriate and cost-effective forum for detailed discussion of WFP's activities. Wherever opportunity arises we should push for reforms that will remove remaining vestiges of FAO's operational oversight of WFP, such as in the Finance Committee. Devoting meeting time, and often entire Finance Committee sessions, to WFP budget issues (as done twice over the past 15 months) is a large waste of resources that could be better used accomplishing the organization's primary objectives.

19. Food Safety Regulation: There will be reports on the Second FAO/WHO Forum of Food Safety Regulators and on progress of the Commission on Genetic Resources for Food and Agriculture. The Council meeting would be an appropriate time for the USG to signal its position on continuation of the Food Safety Regulators Forum. To date, FAO has been very supportive of the Forum and international support for continuing the Forum appears to be strong. If the forum is to continue, issues such as its mandate and funding, the provision of secretariat support by FAO, and the relationship with Codex and other established bodies need to be addressed in an inclusive and transparent process. We encourage Washington agencies to consider whether the USG should participate in future meetings of Food Safety Regulators and, if so, how to ensure that the process has a proper home with adequate oversight and control within FAO.

¶10. Genetic Resources: The report from the Commission on Genetic Resources should address two key issues. The

first is the progress on implementation of the International Treaty on Plant Genetic Resources for Food and Agriculture (IT), including the development of the Material Transfer Agreement (MTA). The meeting of the Interim Committee for the IT will occur the week before the Council. There should be progress to report on both the implementation of the IT and the development of the MTA. The second significant issue will be the recommendations from the Commission on Genetic Resources for further work on animal genetic resources. The Commission will decide on those recommendations at its meeting the week of November 8-12. There has been support from some quarters for embarking on negotiations for an international treaty on animal genetic resources for food and agriculture. The USG view is that such a treaty would be premature at this point.

PROGRAM, BUDGET, FINANCIAL AND ADMINISTRATIVE MATTERS
(AGENDA ITEMS 9, 10, 11, 12, 13)

¶11. Among the issues to be considered are:

-- Medium Term Plan 2006-2011: The MTP covering the next three biennia envisions the following allocation of resources to the five corporate strategies: (A) food security and rural poverty - 21%, (B) regulatory frameworks - 18%, (C) food supply and availability - 22%, (D) conservation and sustainable use of natural resources - 8%, and (E) knowledge and assessment - 31%. This reflects minor increases in A and C, and slight decreases in B and D, compared to the 2004-09 plan period. The MTP includes a priority-setting effort linking changes in resources for specific program entities to their relative priority, where priority is assessed according to three criteria: conformity to FAO's mandate, expressed priority by members or governing bodies, and FAO's comparative advantage. The MTP's assumptions of 2.2 percent per annum real growth in resources will be problematical for the US and other major contributors, as they deviate from what we consider politically likely and reasonable, and thus distort program planning over the medium term (see ref C).

-- Report of the Finance Committee, including status of contributions and arrears, budgetary performance, methodology for equitable geographic distribution. The organization's serious financial problems will likely be an important area of discussion. These issues are discussed in ref C;

-- Report of the Program Committee; and

-- Program Implementation Report 2002-2003.

DG ELECTION AND OTHER CONSTITUTIONAL/LEGAL MATTERS
(AGENDA ITEMS 14, 15)

¶12. The election of the Director General, to take place at the FAO Conference in November 2005, will be on the minds of many delegations and the subject of many corridor conversations. This issue will only come up formally at the upcoming Council when members approve the proposed nomination deadline of 8 April 2005.

¶13. The report of the Committee on Constitutional and Legal Matters includes discussion of a proposed change to the rules of procedure for Codex Alimentarius regarding NGO participation. Under this agenda item we may wish to voice our disappointment with the slow pace for approving applications for NGO status in FAO bodies. The International Grain Trade Coalition, in which the U.S.-based North American Export Grain Association is a member, has been waiting for over two years for a decision on its application for NGO status in Codex.

OTHER MATTERS
(AGENDA ITEMS 16, 17)

¶14. The Secretariat is presenting information documents on various issues, which delegations may address under "Any Other Matters" on the Agenda. Among the topics upon which the US delegation might wish to comment are:

-- implementation of the International Code of Conduct on the Distribution and Use of Pesticides;

-- entry into force of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides;

-- the International Year of Rice;

-- the upcoming (March 2005) Ministerial Meetings on
Forests and Fisheries

Canada is slated to represent North America on the
Drafting Committee.

USG-SPONSORED EVENTS

15. US Mission is planning a side event, likely to take place late on the afternoon of 23 November, on "Making Use of Best Practices, Emerging Techniques and Technology to Conserve Water Resources Needed for Agriculture." This event will build on a side event on water management done at the FAO Conference in December 2003. The program will feature US, FAO, and developing-country experts who will present practical examples in several areas, e.g., use of domestic wastewater for agricultural purposes, reuse of irrigation return flows and runoff, desalinization techniques, diminishing freshwater demands through agricultural biotechnology, integrated water resource management techniques, and eliminating disincentives for water conservation.

16. The Ambassador intends to host a representational event for key delegates on the eve of Thanksgiving. Instead of the conventional canapes and cocktails, this event would dramatize global inequalities in access to food.

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